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PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Exemption of Electricity Tax/Duty and facilities to SEZ Developer/Co-developer or his Agent and SEZ units - reg.

Ref: 1. G.O. No. CI/114/SPI/2007 dated 28.2.2009.
2. Letter No. CI/114/SPI/2007 dated 20.5.2009.

PREAMBLE:-

In the Government order No. CI/114/SPI/2007 dated 28.2.2009. read under reference (1) above, the Government has formulated the State Policy for Special Economic Zones-2009. The State High Level Clearances Committee (SHLCC) constituted as per the Karnataka industries (Facilitation) Act 2002 will act as Single Point Clearance for the SEZ Developer / Co-developer for consideration and approval of SEZ projects and recommendation to Government of India for approval. The unit Approval Committee headed by the Development Commissioner for SEZ will be the Special Agency for implementation of Special Economic Zones. The policy incorporates certain measures relating to the power sector.

In order to operationalise the Special Economic Zone, there is need for issue of consequential concurrent notification, relating to the "Special Economic Zone". The Commerce and Industries Department vide reference (2) above has requested the Energy department for issue of the same. Hence, the following order:

GOVERNMENT ORDER NO. E N 40 EBS 2009, BANGALORE

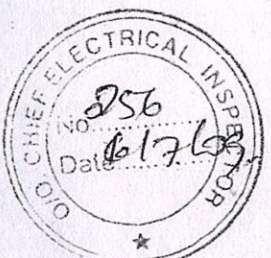
DATED 29.06.2009

In exercise of the powers conferred by Section 8 of the Karnataka Electricity (Taxation on consumption) Act, 1959, the Government of Karnataka here by exempt electricity duty/tax payable by individuals in SEZ area under the Act as detailed below, subject to fulfilling all the requirements laid down under the Electricity Act 2003, Indian Electricity Rules 1956 or any Rules made thereunder, under the provisions of Electricity Act 2003 & Karnataka Electricity (Taxation on Consumption) Act & Rules 1959:-

- (i) Any Sale of electricity to the SEZ or units therein by the Developer/Co-developer or his Agent out of the power purchased from any State electricity company or Corporation and any other generator of electricity including central power supply undertakings (CPUs), Such purchaser to be deemed to have an
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approval to use the transmission and distribution system of the transmission and distribution agency under the Electricity Act 2003, subject to payment of appropriate wheeling charges and availability of transmission capacity.

- (ii) Sale of either self generated or purchased electric power for use in the processing area of SEZ for the Developer/Co-developer
- (iii) Sale of either self generated or purchased electric power for use in the processing area of SEZ units

In addition, the Developer & Co-developer or his agent for the SEZ shall be deemed to be a licensee under section 14 of the electricity Act 2003 for undertaking generation, Transmission and Distribution of electricity to their respective areas.

The power generated within the SEZ Zone may be supplied /Sold to units outside the SEZ Zone, only with the specific sanction for the same from KERC, at the rates approved by KERC.

Grid connectivity to receive as stand by power from the supplier's grid may be established by the generating company set up within SEZ, subject to the agreement to be made with the KPTCL/ESCOMs/ Transmission Agencies.

BY ORDER AND IN THE NAME OF
THE GOVERNOR OF KARNATAKA

Parvathy keshavachar
(PARVATHY KESHAVACHAR)
Deputy Secretary to Government,
Energy Department.

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To:

The Compiler, Karnataka Gazette, Government Press, Bangalore with a request to publish this in the forthcoming Gazette, and to furnish 600 printed copies for the reference to the Government.

Copy to:

1. Accountant General, Karnataka, Bangalore.
2. The Chief Secretary to Government of Karnataka, Vidhana Soudha, Bangalore.

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